

Capital: Astana**Population:** 14.9 million (2003)**GDP(current US\$):** \$29.7 billion (2003)**Population below minimum subsistence level:** 38% (2001)**GDP per capita (current US\$):** \$1,780 (2003)**GDP per capita (purchasing power parity):** \$8,117 (2003)**Religion:** Muslim (47%), Russian Orthodox (44%)**Language:** Kazakh (64%), Russian (95%)**President:** Nursultan Nazarbayev**Prime Minister:** Daniyal Akhmetov**Ambassador to US:** Kanat Saudabayev

National Interests: Key U.S. interests in Kazakhstan are: (1) building upon the GOK's commitments to the global war on terror; (2) building upon non-proliferation programs that have registered impressive successes, particularly under the U.S.-GOK Cooperative Threat Reduction (CTR) Agreement; (3) promoting democratic governance, open markets, a favorable investment climate for U.S. firms, and integration of Kazakhstan into the world trading system, and (4) supporting efforts to enhance Kazakhstan's capabilities to effectively address the rapidly-growing transport of illicit drugs produced in Afghanistan. USAID works in the areas of democratic and economic reform, health, and conflict mitigation.

OVERVIEW OF USAID'S FOCUS IN KAZAKHSTAN

FY05: Total FSA - \$26.7 million, USAID Total - \$21.5 million

Economic Reform (FY05 \$9.1 million, 42%): USAID's program to improve the environment for the growth of small and medium sized enterprises (SMEs) in Kazakhstan has three main components: (1) transferring modern business skills and making business information more available (Pragma, Carana); (2) increasing access to finance by enhancing lender knowledge, strengthening financial institutions, and creating alternative sources of finance (Small Enterprise Assistance Fund-SEAF, EBRD, Pragma, and ACDI/VOCA); and (3) promoting more transparent, systematic implementation of laws and regulations, including customs modernization, reduction of investment constraints and World Trade Organization accession (Pragma).

Energy and Water (FY05 \$9 million, 4%): A significant recent development in the regional electric power sector is the Government of Kazakhstan's (GOK) interest in making investments in the hydropower infrastructure of neighboring Kyrgyzstan in order to offset projected energy shortages in southern Kazakhstan. USAID will assist the GOK in regional energy trading by supporting the institutions that will implement trade agreements and negotiate regional agreements based on international standard (contractor/grantee TBD). In FY 2004, USAID initiated a Development Credit Authority (DCA) program in the energy sector to provide partially guaranteed loans to private firms or other entities to implement energy savings measures. FY 2005 funding will support technical assistance to potential borrowers for preparation of the documentation required by the lending institution.

Democracy and Media (FY05 \$5.8 million, 27%): USAID's democracy strategy concentrates on building a democratic culture mainly through support for: (1) civil society organizations (Counterpart, National Democratic Institute); (2) independent media (Internews and Adil Soz); (3) civic and democratic education, including extracurricular activities reinforcing democratic values (International Foundation for Election Systems – IFES); (4) judicial ethics/independence (ABA/CEELI) and training (IRIS); (5) improving local government transparency and openness to citizens (Urban Institute); and (6) support for democratic political parties and other institutions committed to democracy (NDI). In FY 2004, USAID expanded support (Freedom House) to Kazakhstan's human rights organizations to improve public understanding and awareness of abuses.

Health and Population (FY05 \$3.8 million, 28%): USAID's quality primary health care objective is to help Kazakhstan reform its health sector by creating quality, client-oriented, cost-effective primary health care services and address maternal, child, and reproductive health issues. Increased momentum for health sector reform was generated in FY 2004 by the President's call for reform, a doubling of the health budget, and the passage of nine key pieces of legislation. USAID programs introduced evidence-based medical practices, worked to improve medical and nursing education, and addressed infant, child, and maternal health issues. One-third (37%) of the population was voluntarily enrolled in primary health care, and 31.3% of health providers were paid under the new finance systems. (ZdravPlus program with Abt Associates, the American International Health Alliance-AIHA). Infectious disease programs focus on treatment of TB (Center for Disease Control-CDC, Project Hope), and HIV/AIDS prevention and surveillance (CDC, Population Services International-PSI, Soros).

USAID/Central Asia: Tom Delaney, Acting Regional Mission Director (011-7-3272-50-79 01) 41 Kazibek bi St, Almaty, 480100

USAID/Washington: Barbara Feinstein (202-712-5124), Central Asia Desk

USAID/CAR website: www.usaid.gov/locations/europe_eurasia/car